

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1732

S. P. 561

In Senate, April 3, 1973

Referred to the Committee on Appropriations and Financial Affairs. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Sewall of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT to Implement Section 14-D of Article IX of the
Constitution of Maine.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 30, c. 239, sub-c. II, Art. 8, additional. Subchapter II of chapter 239 of Title 30 of the Revised Statutes, as amended, is further amended by adding a new Article 8, to read as follows:

ARTICLE 8, HOUSING INSURANCE LAW

§ 4784. Short title

This Article shall be known and may be cited as the "Housing Insurance Law."

§ 4785. Declaration of purpose

The Constitution of Maine, Article IX, section 14-D, provides for "Insuring payment of mortgage loans for Indian housing for the purpose of fostering and encouraging the acquisition, construction, repair or remodeling of houses owned or to be owned by members of the two tribes on the several Indian reservations." It is the purpose of this Article to designate the State Housing Authority as the state agency responsible for implementing the powers provided by the Constitution in Article IX, section 14-D. It is further declared that inasmuch as the State Housing Authority is enabled by section 4651, subsection 5, to insure housing against any risk or hazard, including risk of default of mortgages, the Authority is the appropriate vehicle to handle this function and may operate an Indian Housing Insurance Fund, together with any other housing insurance fund it may establish, provided that any bonded

indebtedness used to insure Indian housing should be accounted for separately from the general assets of any other housing insurance fund even if funds are commingled for investment purposes by the Authority or by a trustee of any insurance fund so established.

§ 4786. Definitions

As used in this Article, unless the context otherwise indicates, the following words shall have the following meanings:

1. Housing. "Housing" shall mean any "project" or "housing project," as defined in section 4552, subsection 12.

2. Housing Insurance Fund. "Housing Insurance Fund" means any fund established by the Maine State Housing Authority for the purposes of providing insurance against any specified risk related to housing.

§ 4787. General obligation bonds

The Maine State Housing Authority is authorized to issue up to \$1,000,000 in state general obligation bonds for the purpose of providing funds to pay any necessary and proper costs or charges incurred as a result of its insuring or undertaking to insure Indian housing on an Indian reservation.

Proceeds from said bond issuance may not be used as collateral, payment or in any other way to assist any insurance on housing other than Indian housing. Administrative funds used to assist in the management of an Indian Housing Insurance Fund may be commingled with administrative funding for other Housing Insurance Funds operated or to be operated by the Maine State Housing Authority.

§ 4788. Issuance of bonds

Bonds issued pursuant to authorization shall be issued in accordance with rules and regulations adopted by the Maine State Housing Authority, but said rules and regulations shall not be valid until certified as adequate by the Commissioner of Finance and Administration.

§ 4789. Insurance policies

The Maine State Housing Authority is authorized to establish insurance contracts, to charge and collect premiums, to make appropriate payments, and to do all other things necessary and proper to administer a State Housing Insurance Program. Nothing in this Article shall empower the Maine State Housing Authority to set up an Indian Housing Insurance Fund nor to collect premiums, make payments, nor otherwise operate an Indian Housing insurance program until the Insurance Commissioner shall have reviewed a written proposal for the establishment of said program and shall have certified its economic feasibility to the State Housing Authority.

Sec. 2. Appropriation. There is appropriated from the General Fund to the Maine State Housing Authority the sum of \$67,000 to carry out the purposes of this Act. The breakdown shall be as follows:

	1973-74	1974-75
MAINE STATE HOUSING AUTHORITY		
Personal Services	\$25,000	\$26,000
All Other	8,000	4,000
Capital Expenditures	2,000	2,000
	<hr/>	<hr/>
	\$35,000	\$32,000

STATEMENT OF FACT

This Act implements Section 14-D of Article IX of the Constitution of the State of Maine as passed by the voters in the last general election.